

Application No. 10-04001G

Direct Testimony of

PAUL THOMSEN

on behalf of

ORNI 15, LLC

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Paul Thomsen and my business address is 6225 Neil Road, Reno, Nevada 89511.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am the Director of Policy and Business Development for Ormat Nevada, Inc ("ONI").

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. ORNI 15, LLC ("ORNI 15") and ONI (collectively ORNI 15 and ONI are referred to as "Ormat").

Q. DOES ATTACHMENT 1 ACCURATELY DESCRIBE YOUR BACKGROUND AND EXPERIENCE?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is support Ormat's request for partial tax abatements for its Jersey Valley geothermal power project located in Pershing County, Nevada ("Jersey Valley Project") by providing an overview of Ormat, its business operations and its success in developing and operating geothermal generating facilities in Nevada and worldwide.

Q. WHY IS ORMAT REQUESTING PARTIAL TAX ABATEMENTS FOR THE JERSEY VALLEY PROJECT?

A. With the partial tax abatements, Ormat will be able to continue its exploration and testing of the geothermal resource in Jersey Valley for possible expansion of the generating capacity of the Jersey Valley Project.. Such an expansion at the Jersey Valley project will significantly increase the financial and employment benefits for the State of Nevada and Pershing County. Obtaining the abatements also helps us keep our costs lower for ratepayers. The Jersey Valley Project is the lowest cost renewable energy project under development with an approved PPA.

Q. CAN YOU PLEASE PROVIDE AN OVERVIEW OF ORMAT?

A. ORNI 15 is a new entity formed to operate and maintain the Jersey Valley geothermal project once it becomes operational. ONI wholly owns ORNI 15.

Ormat is headquartered in Reno and is engaged in the geothermal and recovered energy power business. Ormat designs, develops, builds, owns and operates geothermal and recovered energy generation plants utilizing internally designed and manufactured equipment. Ormat has been a successful business for more than 40 years and has been headquartered in Northern Nevada since 1984.

Q. ARE ORNI 15 AND ONI QUALIFIED TO DO BUSINESS IN NEVADA AND DO THEY EACH HOLD NEVADA BUSINESS LICENSES?

A. Yes.

Q. HAS ONI OBTAINED ALL REQUIRED PERMITS TO CONSTRUCT THE JERSEY VALLEY PROJECT?

A. Yes.

Q. WILL ORNI 15, LLC OBTAIN AND MAINTAIN ALL REQUIRED LICENSES AND PERMITS TO OPERATE THE JERSEY VALLEY PROJECT?

A. Yes.

Q. WHAT IS ORMAT'S EXPERIENCE IN DEVELOPING AND OPERATING POWER PLANTS.

A. Ormat currently operates and is developing power plants in the United States, including geothermal facilities in Nevada, California and Hawaii, and recovered energy generation power plants in North Dakota, South Dakota, Colorado, Minnesota, Montana and Nevada. The combined generating capacity of all these power plants in the United States is approximately 414 MW, net. Ormat also has operating power plants in Nicaragua, Guatemala, Kenya and New Zealand. Ormat has approximately 1,300 MW of installed capacity worldwide.

Q. HOW MANY GEOTHERMAL POWER PLANTS DOES ORMAT CURRENTLY HAVE IN OPERATION IN NEVADA?

A. Ormat currently has nine geothermal power plants operating in Nevada, with a combined generating capacity of approximately 110 MW, net.

Q. CAN YOU PLEASE DESCRIBE IN DETAIL THE LOCATION AND SIZE OF THE NINE GEOTHERMAL POWER PLANTS IN NEVADA?

A. Ormat operates two power plants in Churchill County, Nevada, specifically the Brady and the Desert Peak 2 geothermal facilities. The combined current contracted-for generating capacity of Brady and Desert Peak 2 is approximately 25 MW, net. Ormat also operates seven geothermal power plants in Washoe County,

Nevada, specifically, the Steamboat 1A, Steamboat 2, Steamboat 3, the Richard Burdette, the Steamboat Hills, the Galena 2 and the Galena 3 geothermal facilities. The combined current contracted-for generating capacity for these seven geothermal power plants is approximately 85 MW, net.

Q. HOW MANY FULL-TIME EMPLOYEES WORK AT ORMAT'S GEOTHERMAL FACILITIES IN NEVADA?

A. Ormat currently employs a combined 59 full-time employees at its nine geothermal facilities in Nevada, which does not include administrative personnel.

Q. IS ORMAT CURRENTLY DEVELOPING ANY MORE GEOTHERMAL POWER PLANTS IN NEVADA?

A. Yes.

Q. CAN YOU PLEASE DESCRIBE THE GEOTHERMAL POWER PLANTS CURRENTLY IN DEVELOPMENT IN NEVADA?

A. Ormat currently has numerous geothermal power plants in exploration and development. Four of those have executed power purchase agreements with NV Energy. These projects include the Jersey Valley Project, the Carson Lake project, located in Churchill County, the McGinness Hills project, located in Lander County, and the Hot Sulphur Springs II project, located in Elko County. Combined

these projects are anticipated to add at least 100 MW of additional generating capacity in Nevada and associated environmental and economic benefits.

Q. WHAT BENEFITS DO ORMAT'S GEOTHERMAL PROJECTS BRING TO THE STATE AND COUNTIES?

- A. Ormat's projects provide financial, employment and environmental benefits to Nevada and its counties. For example, the Jersey Valley Project is estimated to pay approximately \$6 million in taxes to Nevada and Pershing County, create 50 or more full-time jobs during the second quarter of construction of the facility and 8 to 10 full time jobs once the facility becomes operational. All of these jobs will provide benefits and will reduce unemployment and uninsured individuals, which will help reduce costs for Nevada's unemployment insurance fund and health care programs. In addition, the Jersey Valley Project will avoid approximately 112,500 tons of carbon dioxide emissions, and will save approximately 225,000 barrels of oil. The benefits obtained from the Jersey Valley Project are consistent with the benefits received from Ormat's other geothermal facilities in Nevada. The Jersey Valley Project will also save the ratepayers money because it is the lowest-priced renewable energy project under development with an approved PPA.

Q. HAS ORMAT MET WITH PERSHING COUNTY TO DISCUSS THE JERSEY VALLEY PROJECT AND ITS REQUEST FOR PARTIAL TAX ABATEMENTS?

- A. Yes. Ormat met with the Pershing County Board of County Commissioners on May 19, 2010 and provided an overview of the Jersey Valley Project and its expected benefits to Pershing County.

Q. WHAT WAS THE RESULT OF THE MAY 19, 2010 MEETING WITH PERSHING COUNTY?

- A. The Pershing County Board of County Commissioners unanimously approved Ormat's application for partial tax abatements for the Jersey Valley Project.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS AND CONCLUSIONS.

- A. I recommend that the application for partial tax abatements be granted for the Jersey Valley Project. Ormat is a leader in renewable energy development in Nevada and worldwide. It has been a successful business in Nevada and has provided financial, employment and environmental benefits to the state and counties since 1984. Ormat desires to continue contributing to the economic welfare of the State of Nevada, and believes that the partial tax abatement for the Jersey Valley Project may allow Ormat to expand the size of the facility and increase the benefits its is providing Nevada and Pershing County.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A Yes.

Paul Thomsen is the director of policy and business development, for Ormat Technologies, Inc. (NYSE:ORA).

Thomsen manages Ormat's federal, state and local legislative programs and geothermal project development in the U.S. He serves as Ormat's principal liaison with organizations and advocacy groups involved in the renewable energy sector.

Nationally, Thomsen is the past-chairman of the United States Clean Heat and Power Association; serves as Vice President to the Board of Directors of the Geothermal Energy Association; and, sits on Senator Harry Reid's Blue Ribbon Council on Renewable Energy. In Nevada, Thomsen currently serves as the president of the Nevada Geothermal Council and sits on the boards of the Economic Development Authority of Nevada, the Nevada Mining Association and the Nevada Conservation League. And, he was appointed by Governor Jim Gibbons to the Transition Team for Energy and Natural Resources.

Before coming to Ormat, Thomsen worked for United States Senator Richard Bryan and United States Senator Harry Reid, where he handled public lands and energy issues. Most recently, Thomsen worked for the law firm of Lionel Sawyer and Collins.

Thomsen received a bachelor's degree in political science and a master's degree in public administration from the University of Nevada, Reno. Academic works include: "Renewable Energy in the State of Nevada: Public Policy Implications for an Emergent Resource Area" presented at the Annual Meeting of the Pacific Northwest Political Science Association, Vancouver, British Columbia.

Ormat Technologies is a world leader in the geothermal power plant sector. The company has four decades of experience in the development of state of the art, environmentally sound power solutions, primarily in geothermal and recovered energy generation. Ormat is responsible for the development of over 1,000 MW of geothermal generation throughout the world and over 400 MW of generation in the United States.